

STATE STUDENT ASSISTANCE COMMISSION OF INDIANA



**ACTIVITY AND PROGRAM REPORT
FOR ACADEMIC YEAR
2007-2008**

DECEMBER 2008



Activity and Program Report for Academic Year 2007-2008

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State Student Assistance Commission of Indiana
ISTA Center
150 W. Market Street, Suite 500
Indianapolis, Indiana 46204
Voice: 317-232-2350
Fax: 317-232-3260

grants@ssaci.IN.gov
<http://www.ssaci.IN.gov/>

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COMMISSION ADMINISTRATION

Commission Members

*By Congressional District
As of September 2008*

State Student Assistance Commission

1ST CONGRESSIONAL DISTRICT
Mr. Robert E. Johnson, III
Crown Point, IN
Term: 2011

6TH CONGRESSIONAL DISTRICT
Mr. Jeff Jenness
Anderson, IN
Term: 2011
Vice Chairman

2ND CONGRESSIONAL DISTRICT
Mr. Richard Dilling
Logansport, IN
Term: 2009

7TH CONGRESSIONAL DISTRICT
Mr. Tomas Morales
Indianapolis, IN
Term: 2010

3RD CONGRESSIONAL DISTRICT
Mr. Thomas K. Borne
Fort Wayne, IN
Term: 2009
Chairman

8TH CONGRESSIONAL DISTRICT
Mr. T.J. Brink
Vincennes, IN
Term: 2011

4TH CONGRESSIONAL DISTRICT
Mrs. Sue Scholer
West Lafayette, IN
Term: 2011
Secretary

9TH CONGRESSIONAL DISTRICT
Mrs. Christine Drake
Huntingburg, IN
Term: 2009

5TH CONGRESSIONAL DISTRICT
Mr. Ronald Reese
Indianapolis, IN
Term: 2010

STUDENT MEMBER
Mr. Bruce Cooley
West Lafayette, IN
Term: 2010
Purdue University, West Lafayette

Commission Staff

As of August 2008

Administrative Division

Claudia Braman	Executive Director
Dennis Obergfell	Deputy Director
Laurie Gavrin	Director of Policy Analysis & Research
James J. Zheng	Policy Analysis & Research Assistant (12/08)
Helen Ann Curley	Executive Secretary
Basu Maharjan	Senior LAN Administrator

Accounting Division

David Highfill	CFO/Office Manager
Bonnie Davis	Assistant Controller
Michelle Lasiter	Assistant Controller

Grant Division

Kathi Graves	Director
Eugene Johnson	External Operations Manager (11/08)
Ada Sparkman	External Operations Coordinator
Kathryn Moore	Internal Operations Manager
Zerda Blackmon	Internal Operations Coordinator
Yvonne Heflin	Auxiliary Programs Manager
Tina Humphrey	Auxiliary Programs Coordinator

Information Technology

Dennis Obergfell	IT Manager
David Falls	Senior Systems Analyst and Developer
Padmaja Ayodhyala	Systems Analyst and Developer
Gopendra Bhattra	Software Developer (8/08)
Basu Maharjan	Senior LAN Administrator

Twenty-first Century Scholars Division

Seana Murphy	Director
Allison Knox	Scholar Coordinator
Tene Jones	GEAR UP Coordinator
Ginny Ort	Administrative Support
Joy Day	SEAS Enrollment Specialist
Charles Garrett	SEAS Enrollment Specialist

A message from the Executive Director

..... *Claudia Braman*

Coming in at the end of June, I quickly realized what a dynamic and multifaceted agency SSACI is. With so many unique programs, data and research requests, and new federal legislation affecting what we do, I am still overwhelmed and appreciative of what this bright, capable and efficient staff can accomplish.

Consider the following:

- 50,506 students received \$183M in SSACI's need-based Frank O'Bannon awards. The generosity of the state allowed SSACI to raise caps 7% in the 2007-08 academic year.
- Average SSACI awards increased 7.59%, while tuitions increased an average of 6%.
- In all programs, 72,909 grants were awarded at a total of \$233.5M in state student aid.
- Twenty-first Scholars saw a ten percent increase in utilization of their awards.
- Passage in the spring of 2007 of legislation eliminating SSACI's ten year rule opened awards to those adults needing to return to college. Many of those affected were women in their mid-thirties wanting to finish their college education.
- A new online application for Twenty-first Century Scholars was deployed successfully at the end of the 2007-08 academic year.
- xGrads, SSACI's new web-based information exchange system for colleges, had a successful introduction in January of 2008, and has received enthusiastic participation from colleges.
- Internal deployment of the online Grads system has also been successful; both systems are undergoing continuous improvement for more efficient use of SSACI resources.
- A restructuring in the Grants division has streamlined processes and will continue to increase productivity.
- A creative and hard look at internal practices has revealed multiple ways to save money, time and resources that have recently become office policy.
- Research and collaboration with affiliated agencies and organizations to examine our methodology are underway.

We're just getting started. Working with the Governor, we support legislation and a budget that will continue to give all Indiana students access to the fine institutions in the state. In the economy we are facing, we think the increase in funding in the Governor's proposed budget shows his commitment to access and success in higher education for all Hoosiers. We look forward to working with the General Assembly this session to craft policy to best serve the current landscape of students.

Annual Report 2007-08

SSACI's Mission

For 40 years, the State Student Assistance Commission of Indiana (SSACI) has been helping Indiana students and families meet the costs of a college education. There are three parts to the Commission's mission:

- To make college *affordable* with guaranteed student grants.
- To allow greater *choice* by granting awards to students attending public, independent and proprietary colleges.
- To increase *college preparation* by giving additional grants to Twenty-first Century Scholars and to students graduating from high school with Core 40 and Academic Honors Diplomas.

The Commission accomplishes its mission with:

- *Need-based and merit-based* programs for full-time and part-time students.
- *Special Program* grants for nurses, working students, minority students, children of disabled veterans and others.
- *Early Intervention* programs for Twenty-first Century Scholars.
- *Outreach Programs* to promote awareness of financial aid.

Program Overview

Current grant and scholarship programs include:

- *Frank O'Bannon (FOB) Grant Program* comprised of the *Higher Education Award (HEA)* and *Freedom of Choice (FOC) Grant*. For full-time students, it is the largest program administered by the Commission. It is need-based, with a component based on merit.
- *Hoosier Scholar Program*. This scholarship is a one-time \$500 grant given to outstanding high school seniors entering their first year at an Indiana college.
- *Minority Teacher and Special Education Services Scholarship Program*. This program was created to provide renewable scholarships for African American and Hispanic students preparing for a teaching career.
- *Nursing Fund Scholarship Program*. This program is designed to encourage students to pursue a career in nursing.
- *State Work-Study Program*. The program is designed to help students gain work experience and earn money towards their college expenses.
- *Robert C. Byrd Honors Scholarship Program*. The scholarship for new college students is designed to promote and award outstanding academic achievement. It is a federal program.
- *Part-time Grant Program*. The award is designed to encourage degree-seeking part-time undergraduates to complete their degrees by subsidizing part-time tuition costs.
- *Reciprocity Agreement Program*. This program provides out-of-state college assistance to Hoosier students residing in a six county area of southeastern Indiana.
- *Twenty-first Century Scholars Program*. The program is designed to support and encourage middle-school youth from lower-income families to enter college through early intervention strategies and grants.

- *The Twenty-first Century Scholars GEAR UP Summer Scholarship.* This program allows Scholars to take summer classes not covered by other state grants.
- *Twenty-first Century Scholars GEAR UP Mentoring Scholarship.* This program provides college grants to upperclass Scholars who mentor underclass Scholars.
- *Indiana National Guard Supplemental Grant Program (NGSG).* This program provides tuition assistance at public colleges to eligible members of the Indiana Air and Army National Guard. There is an extension of this scholarship available to those who have used the NGSG, served on active duty overseas and have left the Guard.
- *Child of Veteran and Public Safety Officer Supplemental Grant Program (CVO).* This program provides tuition assistance at public colleges for eligible children of disabled Indiana veterans and certain public safety officers killed in the line of duty.

This report will cover issues of interest to various student aid stakeholders for the academic year 2007-08, provide an explanation of the basic function of Commission programs for those unfamiliar with the Commission, and look toward the future of student aid in Indiana.

The State of Need Based Aid

Increase in Use of Need Based Aid

The academic year 2007-08 saw a sizeable increase in the numbers of students using the need-based aid award offers made to them (utilization rates). Since the current recession is thought to have started in Dec. 2007, and since people often return to school when economic times cause fewer low-skill, high-paying jobs to be available, the increase in the numbers of students using their aid is consistent with the economic climate during the past year. Table 1 illustrates the increase in utilization rates in HEA (nearly an eight percentage point jump from 50.40% to 57.77%) over the past three years.

Table 1: Utilization Rates for 2005-06, 2006-07, and 2007-08

Utilization Rates	2005-06			2006-07			2007-08		
By College Type	HEA	FOC	C21	HEA	FOC	C21	HEA	FOC	C21
Public	58.13%		74.96%	61.92%		73.96%	64.47%		79.34%
Private	64.69%	64.69%	76.59%	62.82%	62.81%	76.30%	64.24%	64.22%	77.81%
Proprietary	33.95%		49.92%	33.75%		34.42%	33.97%		29.65%
Contract	54.95%			51.50%			54.91%		
IVTCC+VU	28.00%		57.32%	29.55%		60.09%	30.24%		57.45%
In the Aggregate	50.40%	64.68%	67.67%	51.43%	62.81%	72.08%	57.77%	64.22%	75.64%

Since each year's spending projections are based on prior year utilization rates, the Commission could have been in the position of overspending its budget, had it not had a four percent reserve of contingency funds available to cover this unexpected increase. Without such a reserve in place, caps would have to have been set lower to provide this reserve. Fortunately at the time awards usage was projected, FOB funds had sufficient appropriations and carryover to provide for a planned increase in the caps of seven percent, as well as a potential increase for the second year of the biennium, and a four percent reserve as required by the Commission.

Affordability and Grants

Table 2 shows the average tuitions and FOB Grant with percentage change each year from 2000-01 to 2007-08. In AY2007-08, the mean FOB Grant rose seven and a half percent because of the increase in the caps, while tuitions on average increased a lesser 6% on average. The tuitions at independent colleges rose on average \$1,160 (a 6.1% increase) in AY07-08 for an average tuition at independent colleges of \$20,183. Tuitions at public colleges increased roughly the same amount: \$326 (6.0%) for an average tuition of \$5,799. The Indiana University system and Indiana State University continued the two-tiered tuition structure differentiating between new and continuing students, with Ball State completing its final year of the dual tuition structure. All four Purdue campuses had single tuitions for AY 2007-08.

Increases in public tuition always impact the NGSG, and tuition increases in both public and independent universities impact the Twenty-first Century Scholarship. Both of these grants are indexed to the *current* tuition charged to students. (For readers unfamiliar with Indiana's student aid programs, please refer to the later section titled Program Descriptions - p. 20).

Table 2: Average Tuitions and Frank O'Bannon Grant (FOB): 2000-01 to 2007-08

Year	Independent 4 Year College Tuition & Fees		Public 4 year College Tuition & Fees		Students using FOB		Mean FOB Grant	
2000-01	\$13,552	% chng	\$3,556	% chng	36,679	% chng	\$2,608	% chng
2001-02	\$14,108	4.10%	\$3,797	6.79%	37,092	1.13%	\$2,646	1.46%
2002-03	\$14,981	6.19%	\$4,381	15.38%	41,442	11.73%	\$2,805	6.00%
2003-04	\$15,956	6.51%	\$4,772	8.93%	45,265	9.22%	\$2,839	1.21%
2004-05	\$17,167	7.59%	\$4,955	3.83%	46,779	3.34%	\$2,904	2.31%
2005-06	\$17,929	4.44%	\$5,217	5.28%	45,475	-2.79%	\$3,200	10.18%
2006-07	\$19,023	6.11%	\$5,473	4.91%	48,408	6.30%	\$3,375	5.47%
2007-08	\$20,183	6.10%	\$5,799	5.96%	50,506	4.33%	\$3,631	7.59%
Average Yearly Change		5.86%		7.30%		4.75%		4.89%
Most recent 5 year average		6.15%		5.78%		4.08%		5.35%
Change since 2000		48.93%		63.08%		37.70%		39.23%

NOTE: The Frank O'Bannon Grant is based on previous year tuition, and is affected by caps since 2003.

Note from this table that changes in the number of students using the FOB Grant are unpredictable, ranging from an increase of almost 12 percent in the year following the 9/11 tragedy, to a decrease of almost three percent three years later. The average yearly change over the last five years is around four percent.

Table 3 shows the average Parental Contribution (PC) of Hoosier parents of dependent students, and the average Expected Family Contribution (EFC) of independent students. Parents of students in public four-year schools, independent colleges and two-year public schools had on average higher contribution levels than last year. The exception was parents of students at proprietary colleges. Independent students, who are generally older and who expect to pay for college themselves, had much lower contribution levels this year than last year. Changes to the

federal calculation of a student's and family's ability to pay have resulted in lowering independent students' contributions; more such changes are on the way in upcoming years.

**Table 3: Average Ability to Pay of Students Receiving State Aid
2006-07 and 2007-08**

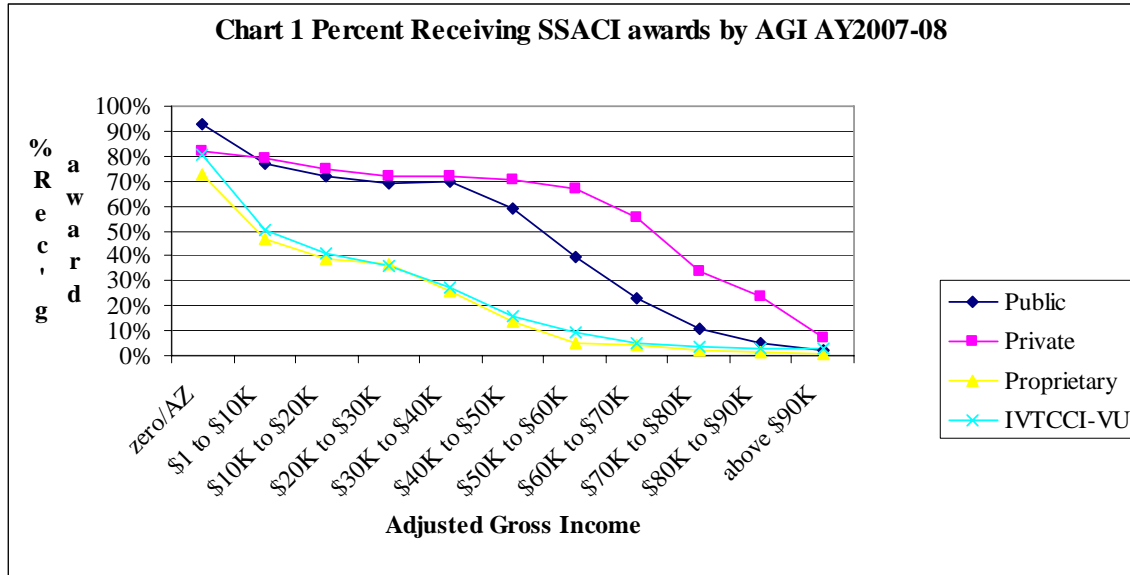
	Dependent Student's Average Parental Contribution		Independent Student's Average Contribution	
	2006-07	2007-08	2006-07	2007-08
Institutional Sector				
Public	\$2,207	\$2,417	\$2,261	\$734
Independent	\$3,649	\$3,870	\$3,450	\$1,146
Proprietary	\$950	\$908	\$651	\$268
Reciprocity Agreement	\$1,879	\$2,145	\$2,655	\$901
Community College	\$1,352	\$1,424	\$979	\$303
Total	\$2,408	\$2,661	\$2,124	\$667

Table 4 shows mean and median adjusted gross incomes for recipients of the FOB Grant in AY 2007-08. These have been increasing as have the Commission's award maxima. For comparison, last year's mean adjusted gross income for parents of dependent students who received the FOB Grant was \$34,656; \$36,188 is a 4.4% increase over the previous year.

Table 4: Adjusted Gross Income for Grant Recipients 2007-08

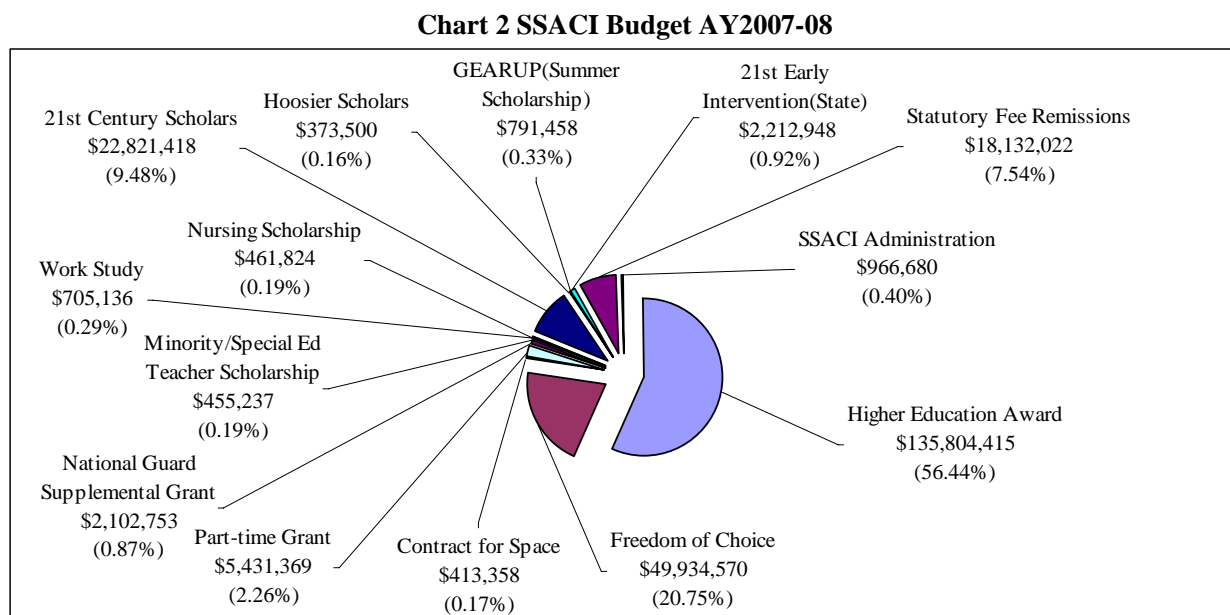
	All Grant Recipients			Frank O'Bannon		
	D	I	All	D	I	All
AGI mean	\$37,823	\$15,012	\$29,796	\$36,188	\$14,192	\$29,013
AGI median	\$34,513	\$11,482	\$25,298	\$33,390	\$10,577	\$25,272

Chart 1 shows the percent of students receiving Commission awards plotted vs. their annual adjusted gross income as reported on the Free Application for Federal Student Aid (FAFSA). At the income bracket of \$55,000 to \$60,000, almost 70 percent of independent school students receive aid, only 40 percent of public four-year school students receive aid, and 10 percent of Ivy Tech students receive aid. For families at or below the Commission's dependent student parental mean adjusted gross income of \$37,800, four-year public and independent college students, 70 percent of students receive aid, but for those with incomes near the mean whose students attend proprietary or community college, only 28% receive aid.



SSACI State Funded Programs

Chart 2 shows SSACI expenditures from state funds (excluding federally funded programs except LEAP/SLEAP within the FOB expenditures) for AY 2007-08. Proportions of expenditures on all of the Commission's programs remain very close to last year's, with a slightly higher percent (56 to last year's 55 percent) in the HEA. NGSF expenditures were proportionally slightly lower, as many guard students have been deployed during this academic year. The Commission has always maintained very low administrative expenses of less than one percent of budget; AY07-08 administrative expenses were less than one-half a percent of budget.



Including Federal funding for SSACI-administered programs, table 5 shows all programs the Commission administers and the percentage of the total budget each represents. Programs not included in Chart 2 are the Robert Byrd Honors Scholarship which is federally funded but administered entirely with state funds, and the GEAR UP administration which is a federal matching grant for which the state must maintain levels of funding.

Table 5: SSACI Program Expenditures AY 2007-08

Programs/Awards/Grants	Expenditures	Percentage of total
Higher Education Award	\$135,804,415	55.69%
Freedom of Choice	\$49,934,570	20.48%
21st Century Scholars Program	\$22,821,418	9.36%
Statutory Fee Remissions	\$18,132,022	7.44%
Part-time Grant Program	\$5,431,369	2.23%
21st Early Intervention (State)	\$2,212,948	0.91%
National Guard Supplemental Grant	\$2,102,753	0.86%
GEAR UP (Summer Scholarship)	\$791,458	0.32%
Robert Byrd Honors Scholarship (federal)	\$731,813	0.30%
State College Work Study	\$705,136	0.29%
Nursing Scholarship Program	\$461,824	0.19%
Minority/Special Ed Teacher Scholarship	\$455,237	0.19%
Contract for Space	\$413,358	0.17%
Hoosier Scholars	\$373,500	0.15%
Total Grants	\$240,371,821	98.58%
GEAR UP (Administration; federal)	\$2,498,079	1.02%
SSACI Administration	\$966,680	0.40%
Total Administration	\$3,464,759	1.42%
Total Grants and Administration	\$243,836,580	100.00%

Table 6 shows the increase in expenditures over each of the past two years. Increases were greater this year, as caps increased to a greater extent, more students used their award offers, and the 2007 21st Century Scholars cohort reflects the addition of 7th grade eligibility to the program in this cohort year.

**Table 6: State Grant Dollar Counts by Program
For Years 2005-06 to 2007-08**

Program	2005-06		2006-07		2007-08	
	Grants	Awards	Grants	Awards	Grants	Awards
21st Century Scholarship	8,945	\$19,925,482	8,949	\$20,181,299	9,875	\$22,787,104
Fee Remission	5,222	\$16,191,053	5,035	\$17,076,767	5170	\$18,112,637
Frank O'Bannon Grant	45,924	\$145,507,585	48,408	\$163,393,673	50,506	\$183,407,273
Hoosier Scholars	689	\$344,500	666	\$333,000	747	\$373,500
Minority/Special Ed Teacher Sch.	267	\$413,759	336	\$508,932	267	\$448,616
National Guard Supplemental Grant	903	\$2,740,499	808	\$2,481,884	602	\$2,082,618
Nursing Scholarship	448	\$336,305	545	\$434,799	549	\$451,533
Part-time Grant	5,409	\$5,528,115	4,909	\$5,315,855	4,879	\$5,350,058
Work-Study (1)	600	\$625,890	161	\$366,823	314	\$504,310
Total Grants (2)	68,407	\$191,613,187	69,751	\$210,093,032	72,909	\$233,517,650

(1) Work Study includes non-college organizations.

(2) Students can receive more than one grant. Hence the total of the grants is the number of grants awarded and not students.

Table 7 shows how Indiana's major awards are distributed by program and sector: public four-year, independent, proprietary, reciprocity agreement and public two-year institutions. For students at independent schools, FOB Grant is divided into two parts called the HEA and the FOC, which are also given separately. CVO and NGSG funds are only available for use at public universities. Students at reciprocity schools are not eligible for the Twenty-first Century Scholarship or Part-time Grants. The combined total of SSACI awards in the major programs is almost \$232M.

Table 7: 2007-08 Used Awards, All Major Programs

Institution Type	All Awards in Major Programs		Frank O'Bannon	HEA		Twenty-First	National Guard	Children of Veterans and Officers	
				FOC				Part-time	
Public	Awards	\$126,783,611	\$90,835,286	\$90,835,286	\$0	\$16,156,987	\$1,964,896	\$2,795,293	\$15,031,149
	Grants	39,768	27,571	27,571	0	6,089	515	2,394	3199
	Mean	\$3,188	\$3,295	\$3,295	\$0	\$2,653	\$3,815	\$1,168	\$4,699
Private	Awards	\$83,487,205	\$77,957,146	\$28,176,756	\$49,780,390	\$4,140,028	\$0	\$1,390,031	\$0
	Grants	27,853	12,778	12,778	12,778	1,562	0	735	0
	Mean	\$2,997	\$6,101	\$2,205	\$3,896	\$2,650	\$0	\$1,891	0
Proprietary	Awards	\$3,236,022	\$3,008,362	\$3,008,362	\$0	\$225,554	\$0	\$2,106	\$0
	Grants	2,405	2,160	2,160	0	242	0	3	0
	Mean	\$1,346	\$1,393	\$1,393	\$0	\$932	\$0	\$702	0
Reciprocity	Awards	\$318,214	\$318,214	\$318,214	\$0	\$0	\$0	\$0	\$0
	Grants	111	111	111	0	0	0	0	0
	Mean	\$2,867	\$2,867	\$2,867	\$0	\$0	\$0	\$0	0
IVTCC+VU	Awards	\$17,914,639	\$11,288,265	\$11,288,265	\$0	\$2,264,535	\$117,722	\$1,162,628	\$3,081,489
	Grants	13,673	7,886	7,886	0	1,982	87	1,747	1971
	Mean	\$1,310	\$1,431	\$1,431	\$0	\$1,143	\$1,353	\$665	\$1,563
Total	Awards	\$231,739,691	\$183,407,273	\$133,626,883	\$49,780,390	\$22,787,104	\$2,082,618	\$5,350,058	\$18,112,638
	Grants	83,810	50,506	50,506	12,778	9,875	602	4,879	5170
	Mean	\$2,765	\$3,631	\$2,646	\$3,896	\$2,308	\$3,459	\$1,097	\$3,503

Students can receive more than one grant. Hence the total of the grants is the number of grants awarded and not students.

The proportions of students and grant expenditures for major programs by type of institution are shown in Charts 3 and 4. From these charts we see that public college students (both two and four year colleges) comprise 73% of state aid recipients in the major programs, and they receive 59% of the funds in these programs. Students at independent colleges make up 23% of the total recipients and receive 39% of the funds.

Chart 3 All Award Dollars by Institutional Type

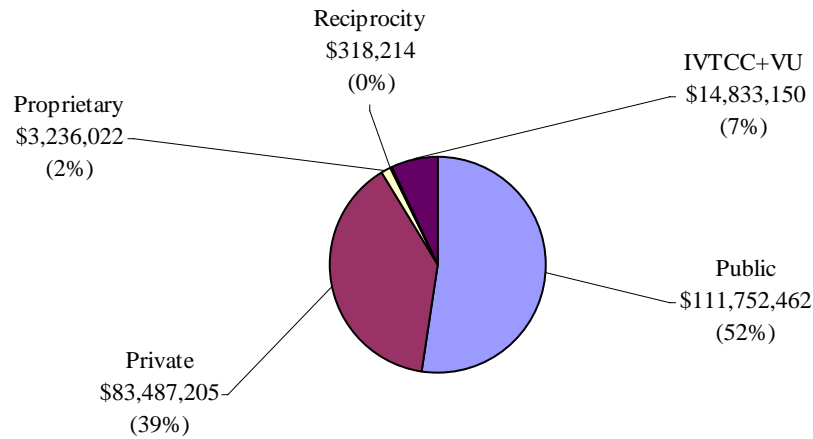
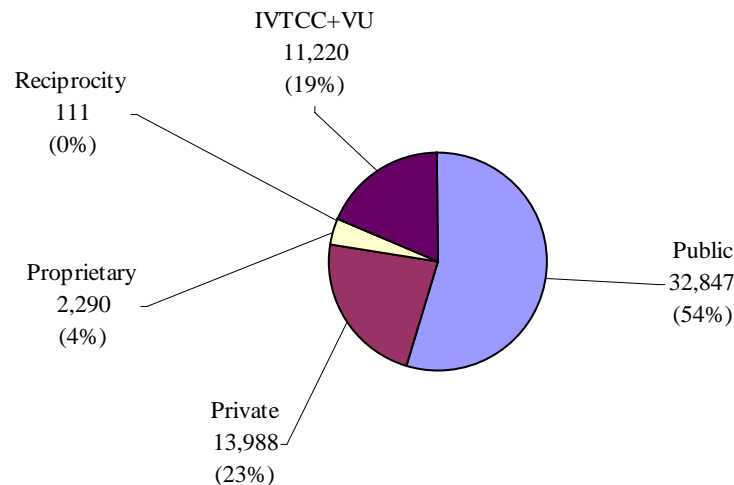


Chart 4 All Awards Student Count by Institutional Type



One final note about state student aid is that the FOB award is the main need based aid program and most of the other major programs (with the exception of the Part-time Grant) function as supplements to the FOB. If a student who participates in a supplemental program has need, a portion of their total state award will come from the FOB Grant and a portion will come from the program fund: CVO, Twenty-first Century Scholarship or NGSG. If a student has no need, their award in a supplemental program will come entirely from that program. So, a Twenty-first Century Scholar might receive \$5,000 from the FOB Grant to attend a four-year public college, and receive another \$1,500 from the Twenty-first Century Scholarship; the same student is

counted as one FOB recipient, and one Twenty-first Century Scholar in prior tables. In order to provide a clearer picture of the number of students served, rather than just the number of grants, Table 8 provides an unduplicated student count. Each student is placed in only one category in this table, depending on the programs in which they participate. If a student is both a Scholar and FOB recipient, they are classified as Scholar; the same holds for the other programs, even though they may have received funding from both programs.

**Table 8: Unduplicated Student Counts by Program
For Years 2004-05 through 2007-08**

Program	2004-05	2005-06	2006-07	2007-08
Frank O'Bannon only	39,818	38,069	40,560	41,696
21 st Century Scholars	8,202	8,728	8,926	9,875
National Guard Students	769	886	804	602
Children of Veterans/Officers	5441	5051	5035	5124
Totals	54,230	52,734	55,325	57,297

Program Descriptions

For readers unfamiliar with the State of Indiana's student aid programs, this section will provide more in-depth descriptions of individual SSACI program operations, as well as data for AY2007-08. The Commission administers three types of award programs: mixed need - and merit-based tuition subsidies that take into account a family's or student's ability to pay for college (the FOB Grant); supplements to the need-based award for participants in special programs (Twenty-first Century, NGSG, CVO); and a number of targeted awards based on merit or career choice incentives.

Frank O'Bannon Grant (FOB)

This award is the core award administered by the Commission. It requires financial need, full-time college enrollment and Indiana residency. It can be used only for tuition and certain fees. It is based on three factors:

- For each eligible postsecondary institution, the *tuition and fees* that the Commission will subsidize.
- The *rate* at which the allowable tuition and fees are subsidized, based on the type of high school diploma the student receives and their GPA in attaining it.
- The parent's or student's *ability to pay* for a college education, as determined by the federal government.

The Frank O'Bannon Grant formula is:

$$\frac{\text{RATE} \times \text{TUITION AND FEES}}{\text{ABILITY TO PAY}}$$

The FOB Grant is calculated in the same way for all students no matter where they enroll: the public, independent, or proprietary sector. To receive this award, a Hoosier student must file a FAFSA so that it is received by the federal processor by March 10th, correct any errors by June 10th, attend college full time, be in a degree-granting program, and maintain satisfactory academic progress. Note that the June 10th correction date will be moving to May 15th for 2009.

Tuition and fees

Allowable tuition and fees are set early in the financial aid year. They are determined by each college based on a typical 30 credit hour per year course load plus any regular fees assessed to all students. At public institutions, the allowable tuition and fees is the school's previous year's tuition or a cap (a maximum award set by the Commission), whichever is lower. The amount of the cap is determined by available funds. For 2006-07 the cap was \$5,692; for 2007-08 the cap was \$6,096.

The independent college cap is determined each year by looking at an estimate of the true cost of tuition at Indiana's public colleges. This true cost is roughly the state appropriation per student at the public college, plus the amount a student pays in tuition. The cap is based on a formula that combines the lowest state appropriation per student and the highest public college tuition. It can be capped if funds are not adequate to cover costs. For 2006-07 the independent college tuition cap was \$10,272. For 2007-08 the independent college cap was \$10,992.

Subsidy rate

There are three subsidy rates: 100% for Academic Honors high school graduates, 90% for Core 40 graduates, and 80% for all other students. Academic Honors students with at least a 3.00 high school GPA receive the extra 20% and Core 40 students with at least a 2.00 GPA receive the extra 10% in grant money. It is through the subsidy rate that the Commission introduces the merit part of the FOB Grant. All high school graduates will be required to have a Core 40 diploma with the 2011-12 cohort.

Ability to pay

The parent's or student's ability to pay is determined by the federal government from FAFSA data. Unlike the federal government and other states, Indiana does not count dependent student earnings as part of the ability to pay; it counts only the parental contribution. Thus students who work to earn money to pay for college can use that money for the costs of education not subsidized by the Commission, such as room and board or textbooks. The ability to pay is represented by the PC for dependent students and EFC for independent students. The methodology that the federal government uses to determine these amounts is on track to change significantly in the coming years.

Fund Sources for the Frank O'Bannon Grant

Higher Education Award (HEA)

If a student attends a public or proprietary institution, their FOB Grant comes entirely from the *HEA*. The general assembly appropriates a HEA budget. Part of this fund is also used to pay the FOB Grant for students at independent colleges.

Freedom of Choice Grant (FOC)

If a student attends an independent college, the FOB Grant is divided into two parts: 36% is funded from the HEA and 64% from the *FOC* fund. The general assembly appropriates a separate budget for the FOC award. Students at independent colleges who receive the FOB Grant see both components on their award letter. It may seem confusing to have two funds from which the FOB Grant comes, but students would receive exactly the same dollar award if there were only one fund from which to draw the money.

Looking at the FOB Grant for AY2007-08, Charts 5 and 6 show the percentage of students and distribution of funds. Fifty-five percent of Indiana's FOB Grant recipients students attend public four-year colleges and receive 49 percent of the FOB funds. Twenty-five percent attend independent colleges and receive 43 percent of FOB funds. Public two-year colleges receive 6 percent of the FOB funds.

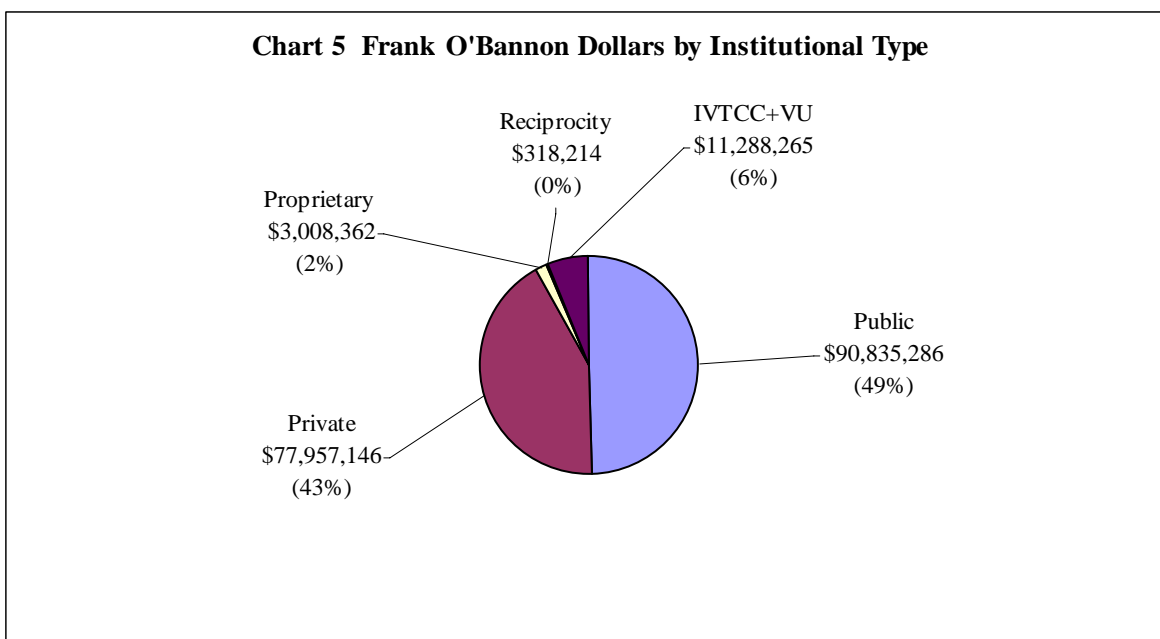
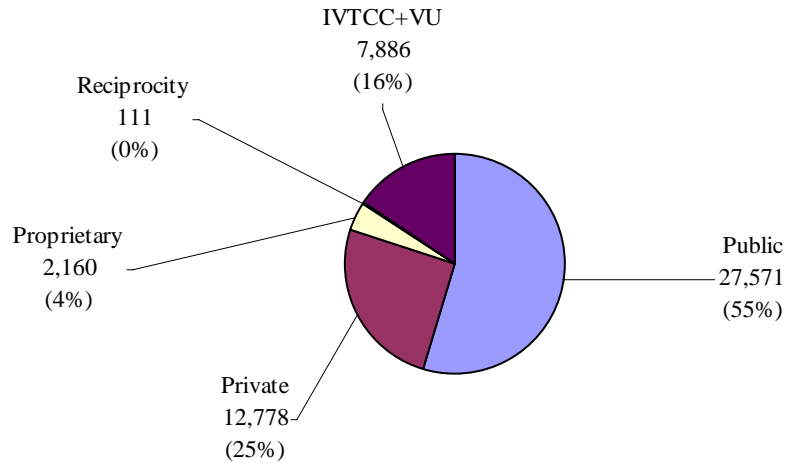


Chart 6 Frank O'Bannon Student Count by Institutional Type



Academic Honors and Core 40 High School Diploma Supplements

The FOB Grant provides incentives for Indiana students to take a more academically rigorous high school program than they otherwise might. The regular diploma student will receive only 80 percent of an institution's tuition and regularly assessed fees to the extent that they have need. A student with a Core 40 diploma and at least a 2.0 grade point average will receive 90 percent of tuition and fees minus what the family is expected to pay. An Academic Honors diploma recipient with at least a 3.0 grade point average will receive 100 percent of tuition and fees minus what the family is expected to pay.

Table 9: 2007-08 Used Frank O'Bannon Awards, by High School Diploma Type

Institution Type		Frank O'Bannon	All HEA	All FOC	Base HEA	Base FOC	Core40 HEA	Core40 FOC	Academic Honors HEA	Academic Honors FOC
Public	Awards	\$90,835,286	\$90,835,286	\$0	\$77,336,731	\$0	\$3,793,810	\$0	\$9,704,744	\$0
	Students	27,571	27,571	0	26376	0	7799	0	9411	0
	Mean	\$3,295	\$3,295	\$0	\$2,932	\$0	\$486	\$0	\$1,031	\$0
Private	Awards	\$77,957,146	\$28,176,756	\$49,780,390	\$23,290,312	\$41,140,871	\$1,036,573	\$1,830,007	\$3,849,871	\$6,809,512
	Students	12,778	12,778	12,778	11969	11968	2890	2890	5322	5322
	Mean	\$6,101	\$2,205	\$3,896	\$1,946	\$3,438	\$359		\$723	\$1,280
Proprietary	Awards	\$3,008,362	\$3,008,362	\$0	\$2,906,092	\$0	\$67,958	\$0	\$34,312	\$0
	Students	2,160	2,160	0	2153	0	333	0	79	0
	Mean	\$1,393	\$1,393	\$0	\$1,350	\$0	\$204	0	\$434	0
Reciprocity	Awards	\$318,214	\$318,214	\$0	\$267,619	\$0	\$25,655	\$0	\$24,940	\$0
	Students	111	111	0	106	0	51	0	24	0
	Mean	\$2,867	\$2,867	\$0	\$2,525	0	\$503	0	\$1,039	0
IVTCC-VU	Awards	\$11,288,265	\$11,288,265	\$0	\$10,700,294	\$0	\$376,060	\$0	\$211,911	\$0
	Students	7,886	7,886	0	7863	0	1775	0	455	0
	Mean	\$1,431	\$1,431	\$0	\$1,361	\$0	\$212	\$0	\$466	\$0
Total	Awards	\$183,407,273	\$133,626,883	\$49,780,390	\$114,501,048	\$41,140,871	\$5,300,056	\$1,830,007	\$13,825,779	\$6,809,512
	Students	50,506	50,506	12,778	48467	11968	12848	2890	15291	5322
	Mean	\$3,631	\$2,646	\$3,896	\$2,362	\$3,438	\$413	\$633	\$904	\$1,280

Table 9 above illustrates that the more challenging the high school diploma, the more money an individual can receive, no matter what institution the student attends. For example, a public school student with a regular diploma receives on average \$2,932; a Core 40 student receives \$3,418 and the Academic Honors student receives \$3,963. This year, out of a pool of 50,506 FOB recipients, 45% have obtained regular diplomas, 25% Core 40, and 30% Academic Honors diplomas.

Table 10 below shows the numbers of regular, Core 40 and Academic Honors diplomas received by Indiana's freshman FAFSA filers year by year. These students do not all receive SSACI aid. A further discussion of diploma issues follows in the section on the Twenty-first Century Scholars Program.

**Table 10: Core 40 and Academic Honors
Indiana Graduating High School Seniors Filing the FAFSA
2001-02 to 2007-08**

Year	Core 40	Honors	Regular	Total
2001	17,806	14,619	87,630	120,055
2002	18,275	15,338	94,143	127,756
2003	19,166	16,397	94,599	130,162
2004	20,064	17,172	96,252	133,488
2005	19,840	17,744	101,911	139,495
2006	21,018	18,188	105,028	144,234
2007	22,374	17,994	108,753	149,121
Total to date	138,543	117,452	688,316	944,311

Supplemental Programs

Twenty-first Century Scholars Program

The Twenty-first Century Scholars Program is designed to support and encourage youth from lower-income families to enter college through early intervention strategies and grants. Effective in 2002, students could enroll in the program when in the 7th or 8th grade. Table 11 shows the 2007-08 income standards necessary to qualify for the Twenty-first Century Scholars Program.

**Table 11: 2007-08 Income Maximums to Qualify for
21st Century Scholars Program**

Household Size	Maximum Annual Income
2	\$27,380
3	\$34,340
4	\$41,300
5	\$48,260
6	\$55,220

For each additional person in household, add \$6,960.

Twenty-first Century Scholars are required to sign a pledge that they will remain drug, alcohol and crime-free. They must also attain a Core 40 high school diploma with a 2.0 GPA or better. They must file their FAFSA on time and they must use their Twenty-first Century Scholarship within two years of high school graduation. In their graduation year, they must affirm that they have kept their pledge. Table 12 documents enrollment and affirmation each year.

Table 12: 21st Century Scholars Enrolled and Affirmed since 1995

Cohort* Year	Enrolled	Affirmed	Percent
1995	5,715	2,562	44.83%
1996	6,317	2,835	44.88%
1997	5,003	2,608	52.13%
1998	4,237	2,637	62.24%
1999	4,749	2,999	63.15%
2000	5,744	3,395	59.11%
2001	7,336	3,929	53.56%
2002	7,716	3,988	51.68%
2003	7,594	3,733	49.16%
2004	7,786	4,468	57.39%
2005	7,292	4,861	66.66%
2006	6,996	4,609	65.88%
2007	10,600	5,559	52.44%

*A cohort is a group of students who all expect to graduate from high school in the same year. It does not matter whether the student signs up for the Twenty-first Century Scholars Program in seventh or eighth grade; the cohort year is the expected high school graduation year.

There are early intervention strategies aimed at enrolled Scholars and their parents in the sixth through twelfth grades. They are administered from fourteen sites around the state covering all ninety-two counties. The sites are under contract with the OFTC and are closely monitored.

The purposes of the Scholar's Program are to:

- Reduce the number of students who withdraw from high school before graduation.
- Increase the number of students prepared to enter the workforce upon graduation.
- Increase the number of low-income students entering institutions of higher education.
- Decrease drug and alcohol use by encouraging higher education pursuits.
- Increase individual economic productivity.
- Improve the overall quality of life for Indiana residents.

The Scholars program is nationally recognized as a successful access and early intervention program. It was the topic of a "Best Practices" workshop and meeting sponsored by the National Governor's Association in August of 2002. The program serves as the national model for states looking to increase aspirations and college-going rates among low-income students.

One of its key features is the Parent Program. Research has repeatedly shown that parental support and encouragement are the most important factors in a decision to go to college. The Scholar's Program works directly with parents so they can learn the skills needed to fully support their children.

Community Based Activities

To help ensure students stay on track to fulfill their pledge, Scholars must have the commitment of the entire community. In addition to enabling Scholars to earn tuition assistance, the program engages Scholars, their families, and their communities in a holistic network of support initiatives. The aim of these initiatives is to build resiliency - to foster an academically encouraging environment for Scholars, while empowering parents to serve as the educational leaders in Scholars' lives.

Early Intervention

Scholars engage in a wide variety of early intervention strategies when they are in high school. For example, to introduce more students to college life, the Scholars Program has a minimum standard requiring each of its regional support sites to provide at least 10 opportunities for students and parents to participate in campus visits. Virtual campus visits are popular with students but are not counted towards the regional support sites minimum standard.

The OFTC Program works with local colleges and universities to support early residential campus experiences. Additionally, many state supported institutions and independent institutions sponsor Scholar Days. The lists below include many of the intervention activities in which Scholars and their parents participate.

Interventions: Scholar

- Math, English or other academic tutoring.
- Standardized high school Test Tutoring.
- Tutoring for SAT, ACT or other college entrance exam.
- Computer Assisted Labs in English, math or other academic subject.
- Mentoring one-on-one.
- Professional Mentoring with professional in a field on a joint project.
- Personal Counseling assistance in solving personal or family issues.
- Counseling/advising for college.
- Counseling/career advising.
- Study Skills Workshops.
- Careers Workshops.
- College, Job site Visits.
- Job Shadowing and College Shadowing of student or instructor.

Interventions: Parents

- Social Events: social activity to involve/engage parents in project.
- Awards Events: highlight student achievement, accomplishment.
- Required parents' college visit.
- Workshop: College Prep: choosing a school, entrance requirements, financial assistance.
- Workshop: Careers: requirements for careers/occupations.
- Workshop: Core 40/Academic Honors, targets 8th grade parents.
- Workshop: ISTEP, targets 9th/10th grade parents.
- Workshop: Study Skills/Time Management.
- Workshop: SAT/ACT, targets 11th/12th grade parents.

GEAR UP and Early Intervention

In 1999-2000, the Commission wrote and received a grant from the federal government for Early Intervention activities for Scholars, Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP). The total GEAR UP grant to Indiana was \$30 million over 6 years, beginning in September of 1999. Indiana received this substantial grant because it is recognized as a leader in early intervention and grant programs. In 2005, the Commission reapplied for a new GEAR UP grant and despite stiff competition for limited funds, won a grant for nearly \$19 million.

The Commission, in response to new GEAR UP requirements and reduced federal and state funds, as well as a need for improved programmatic and fiscal efficiencies, maintains a model of support site management based on clear, measurable goals and objectives. This is accomplished while giving support sites the responsibility and freedom to attain those goals with the support of Office of Twenty-first Century Scholars (OTFC).

SSACI-OTFC Program Guiding Principles:

- Maximize resources while providing the highest possible level of services to Scholars and their families.
- Provide services consistent with the accountability requirements.
- Provide services that directly address the issues of Scholar motivation to go to college and academic preparation to succeed.
- Make changes that are sustainable, viable, and accountable through 2011, the time-frame of the GEAR UP grant.

SSACI-OTFC Support Site Allocation Criteria:

- Site history such as changes in locations, leadership, administration, and support provided beyond contract.
- Historical enrollment and affirmation rates.
- Participation in early intervention activity rates.
- Overall budget expenditures and costs per student.
- Ability to comply with Electronic Data Gathering, Analysis, Retrieval System (EDGAR) federal regulations governing GEAR UP grant, state fiscal rules and regulations, and internal fiscal and other reporting structures.

Cross Site Collaborations:

While requiring sites to *maintain the same decentralized services*, the model is characterized by the following:

- It allows sites to share costs on programming including the rising costs in transportation while building stronger awareness of the program in each region.

- It allows each site to retain a separate budget and the flexibility to determine site specific programming outside of mandated programming.
- It requires sites to work collaboratively to determine the feasibility of sharing staff members to assist with meeting goals and objectives.
- It can recast the reporting lines to maintain accountability while maintaining local control.

Under this model, core early intervention activities such as those listed below do not change:

- Senior exit interviews continue to take place in area high schools.
- Core 40 workshops continue to take place in area high schools.
- FAFSA workshops continue to take place in area high schools.
- Recruitment activities continue to take place across the region in each middle school.
- Regional Parent Conferences and monthly parent meetings continue to take place across the region.

Scholar Track: Student and Parent Services

Collecting information on early intervention activities for Scholars in high school is essential for the continuing success of the Program. Scholar Track is a comprehensive web-based data recording system that tracks Scholars and their parents who are engaged in the activities offered by the fourteen sites across the state. Data is collected on a weekly or monthly basis and used to fine-tune early intervention strategies and meet Scholar needs.

Twenty-first Century Scholarship

Once Scholars are ready for college, they receive the Twenty-first Century Scholarship as a supplement to the FOB Grant. It is the difference between the student's current year tuition and fees and the FOB Grant. The program covers up to 100% of approved tuition and fees. It is available to Scholars if they affirm their pledge in the 12th grade and enroll in college as a full-time student within two years of high school graduation.

Looking at all 21st Century Scholars currently in college, Table 13 shows us that more Scholars are receiving more 21st Century money (in addition to their FOB Grant), and the average award dollars used per student is increasing as well. This year increases in the number of Scholars have been particularly sizeable as the addition of 7th grade eligibility increased the size of the cohort and therefore the numbers of students using the Scholarship. The mean grant size went up slightly as well; since tuitions increased on average 6%, the differential from meeting this year's tuition need (21st) to last year's tuition need FOB Grant was somewhat larger. This larger cohort resulted in an increased cost to 21st Century of an additional \$2.5M. The same thing is likely to happen again in 2015, when the addition of 6th graders to each cohort will impact funding for this entitlement supplement. The recessionary period Indiana now faces will also increase the numbers eligible for 21st Century Scholarship participation, with less actual need possible at that time as the economy improves.

**Table 13: Scholarships Used by 21st Century Scholars
Academic Years 1995-96 to 2007-08**

Year	Students	Mean	Total
1995	1,463	\$1,297	\$1,897,143
1996	2,815	\$1,274	\$3,586,763
1997	3,540	\$1,348	\$4,771,556
1998	4,382	\$1,449	\$6,349,763
1999	4,600	\$1,497	\$6,884,035
2000	5,033	\$1,507	\$7,583,425
2001	5,984	\$1,567	\$9,379,520
2002	6,942	\$1,749	\$12,476,966
2003	7,639	\$1,926	\$14,714,426
2004	8,381	\$2,040	\$17,098,140
2005	8,934	\$2,228	\$19,904,743
2006	8,949	\$2,255	\$20,171,287
2007	9,875	\$2,308	\$22,787,104

Noteworthy is the number of Core 40 and Academic Honors diplomas that 21st Century Scholars are achieving in comparison with the population of all SSACI grant recipients. Table 14 shows that a larger percentage of Scholars receive Core 40 diplomas than the general population of grant recipients: 37% of Scholars receive Core 40, compared to 20% of non-Scholar grant recipients, and this includes the GPA requisite of 2.0. Of all Scholars, 34.4% receive regular diplomas, 37 percent receive Core 40 and 28.5% receive Academic Honors diplomas. Of all non-Scholars, 53% receive regular diplomas, 20% receive Core 40 and 27% receive Academic Honors. This is excellent preparation for the college experience for these 21st Century students.

**Table 14: Scholars and non-Scholars
Degree Type AY2007-08**

Status	Total Students	Regular	Percent	Core 40	Percent	Acad. Honors	Percent
Scholars	9,875	3,393	34.36%	3,667	37.13%	2,815	28.51%
Non-Scholars	46,549	24,671	53.00%	9,349	20.08%	12,529	26.92%
All Students*	56,424	28,064	49.74%	13,016	23.07%	15,344	27.19%

*With either 21st Century Scholars, FOB Grant or both

National Guard Supplemental Grant (NGSG)

This program began in the fall of 2000. It is intended to increase the ability of the Indiana National Guard, Army and Air Force, to recruit new members and retain present personnel. The NGSG is similar to the Twenty-first Century Scholars award, but there are differences. First, it is available to both full-time and part-time Guard members. Second, because of special Guard certification, a student could be eligible for the grant one semester, not be for the second, but be reinstated at a later semester. Finally, the grant is available only at Indiana public institutions.

The grant is a supplement to either the FOB Grant or the Part-time Grant. The idea of the grant is simple: it guarantees to pay up to 100% of certain tuition charges after tuition-specific aid is applied. Members of the Indiana National Guard must meet all requirements for the FOB Grant,

be in active drilling status, and not have been absent without leave in the preceding twelve months.

There were fewer National Guard Scholarship recipients this year than last, with fewer dollars spent from the NGSG funds (see Table 15). This is to be expected with increased levels of active duty deployment. Also, when the average FOB Grant is larger, less money is used from the National Guard fund, because students with need will have a higher portion of that need covered by the FOB scholarship and the Guard scholarship covers mostly the difference between last year's and this year's tuitions. The average NGSG grant this year was \$3,460.

**Table 15: Awards Used by National Guard Students
Academic Years 2000-2001 to 2007-2008**

Year	Students	Amount
2000-01	503	\$1,026,094
2001-02	861	\$1,842,824
2002-03	923	\$2,214,787
2003-04	841	\$2,215,806
2004-05	780	\$2,120,394
2005-06	903	\$2,740,499
2006-07	808	\$2,481,621
2007-08	602	\$2,082,618

Part-time Grant Program

The demographics of part-time students are somewhat different from full-time students, that is, they are not always students who drop from full-time to part-time as a response to the pressures of college. For example, examining a group of 2,421 students who were part-time grant recipients in the academic year 2006, 1,337 were mostly part-time over their educational period (2003-2006) and 1,084 were mostly full-time (median age 25) and had dropped to part-time during part of their education. The former are often older students (mostly women, median age 30) who return to college and have full-time employment and family obligations, but need to build up their credentials to succeed in the job market. These students plan to attend part-time from the outset, and make slow but often steady progress toward a degree. Some of Indiana's independent colleges have crafted programs that work with adult students' schedules and may be a modified version of full-time, or part-time in nature; most of these students, however, attend regional public college campuses.

The Part-time Grant is calculated similarly to the FOB Grant, but it uses only an 80% subsidy rate, no matter what high school diploma the student has, and the student's actual part-time tuition per credit hour and (regularly assessed) fees. Part-time awards are calculated for an individual term, not for the whole academic year.

The Part-time Grant formula is:

$$\frac{80\% \times \text{TUITION PER CREDIT HOUR PLUS FEES} \times \text{NUMBER OF CREDIT HOURS TAKEN}}{\text{ABILITY TO PAY}}$$

Students must be enrolled in 3 to 11 credit hours to be considered for the grant. Funds are directly allocated to public and independent colleges based on their past use of the grants and available funds, which can vary year by year. Colleges determine eligibility and make awards to students subject to the Commission's guidelines and review.

Tuition pressures affect Part-time Grant usage as well. Most colleges receiving SSACI's Part-time funds used the vast majority of their allotment. A few colleges did not and as a consequence receive less in the coming year. Table 16 shows aggregated data for the Part-time Grant program over the past ten years.

**Table 16: Numbers of Students Receiving Part-time Grant
Academic Years 1998-99 to 2007-08**

Year	Students	Amount
1998	4,680	\$3,814,984
1999	5,762	\$5,025,841
2000	6,620	\$5,902,957
2001	6,366	\$5,344,173
2002	5,764	\$4,849,701
2003	5,695	\$5,246,665
2004	5,775	\$5,681,582
2005	5,409	\$5,528,115
2006	4,907	\$5,314,395
2007	4,879	\$5,350,058

Child of Veteran and Public Safety Officer Supplemental Grant Program (CVO)

This Fee Remission Program - the CVO Program - provides tuition and fee assistance at public colleges for eligible children of disabled Indiana veterans, eligible children and spouses of certain members of the Indiana National Guard killed while serving on state active duty, and eligible children and spouses of certain Indiana public safety officers killed in the line of duty. As a supplement to other state financial aid, the grant pays 100% of tuition and program related mandatory fees; it does not cover other fees such as room and board.

Applications for the program are required and all students must file the FAFSA. Some program restrictions apply. For example, children of veterans are limited to 124 credit hours and children of public safety officers must be less than 23 years of age.

Like most of the Commission's other grants, this grant works in combination with the FOB need-based scholarship. Slightly more people used the CVO award this year, and about \$1M more funds were spent on the program (Table 17). The mean fee remission paid by the Commission for a CVO student was \$3,501.41 for AY2007-08.

Table 17: The Commission expenditures since taking over the CVO program in 2001

Year	Type	Fee Remission	Students	Mean
2001-02	Pupil in Soldier and Sailors Home	\$35,486.54	19	\$1,867.71
	Child of Purple Heart recipient	\$988,843.39	453	\$2,182.88
	Child of deceased or disabled veteran	\$10,452,759.41	4,731	\$2,209.42
	Child of deceased public safety officer	\$30,777.81	9	\$3,419.76
	Total	\$11,507,867.15	5,212	\$2,207.96
2002-03	Pupil in Soldier and Sailors Home	\$37,114.85	19	\$1,953.41
	Child of Purple Heart recipient	\$1,222,688.97	474	\$2,579.51
	Child of deceased or disabled veteran	\$13,725,458.56	5,384	\$2,549.31
	Child of deceased public safety officer	\$39,481.63	9	\$4,386.85
	Total	\$15,024,744.01	5,886	\$2,552.62
2003-04	Pupil in Soldier and Sailors Home	\$65,834.71	28	\$2,351.24
	Child of Purple Heart recipient	\$1,160,559.71	434	\$2,674.10
	Child of deceased or disabled veteran	\$14,467,235.27	5,250	\$2,755.66
	Child of deceased public safety officer	\$23,643.42	6	\$3,940.57
	Total	\$15,717,273.11	5,718	\$2,748.74
2004-05	Pupil in Soldier and Sailors Home	\$65,406.49	29	\$2,255.40
	Child of Purple Heart recipient	\$1,045,642.96	353	\$2,962.16
	Child of deceased or disabled veteran	\$14,399,268.80	5,066	\$2,842.33
	Child of deceased public safety officer	\$18,704.97	5	\$3,740.99
	Spouse of deceased public safety officer	\$1,786.30	1	\$1,786.30
	Total	\$15,530,809.52	5,454	\$2,847.60
2005-06	Pupil in Soldier and Sailors Home	\$42,673.48	20	\$2,133.67
	Child of Purple Heart recipient	\$977,780.95	314	\$3,113.95
	Child of deceased or disabled veteran	\$15,148,137.14	4,722	\$3,207.99
	Child of deceased public safety officer	\$15,081.85	6	\$2,513.64
	Spouse of deceased public safety officer	\$1,589.20	1	\$1,589.20
	Total	\$16,185,262.62	5,063	\$3,196.77
2006-07	Pupil in Soldier and Sailors Home	\$46,637.63	21	\$2,220.84
	Child of Purple Heart recipient	\$891,180.52	265	\$3,362.95
	Child of deceased or disabled veteran	\$16,071,108.44	4731	\$3,396.98
	Child of deceased public safety officer	\$27,599.13	8	\$3,449.89
	Spouse of deceased public safety officer	\$8,682.00	4	\$2,170.50
	Child of Vietnam War POW/MIA	\$28,539.00	5	\$5,707.80
	Spouse of NG member killed on state active duty	\$3,020.25	1	\$3,020.25
	Total	\$17,076,766.97	5035	\$3,391.61
2007-08	Pupil in Soldier and Sailors Home	\$57,089.38	23	\$2,482.15
	Child of Purple Heart recipient	\$956,636.58	265	\$3,609.95
	Child of deceased or disabled veteran	\$17,048,484.67	4868	\$3,502.15
	Child of deceased public safety officer	\$36,874.97	11	\$3,352.27
	Spouse of deceased public safety officer	\$5,497.10	2	\$2,748.55
	Child of NG member killed on state active duty	\$8,055.09	1	\$8,055.09
	Total	\$18,112,637.79	5170	\$3,503.41

Merit Programs

Robert C. Byrd Honors Scholarship Program

The Robert C. Byrd Honors Scholarship is a merit-based scholarship funded by the federal government and administered by the Commission. The scholarship is designed to promote and reward outstanding academic achievement of new college students. Students are chosen based on their class rank, grade-point averages, and SAT/ACT test scores. It can be used to attend out-of-state colleges. Allocations have not varied much from year to year, but because of fluctuations in student usage, there will be slight variations on dollars spent and number of students using this grant. These fluctuations include students who graduate in less than four years, as well as students who take a year off as part of a co-op program to work, and do not use the fourth year of their scholarship until the fifth year of their eligibility. Table 18 shows current and prior year usage of the Robert Byrd.

**Table 18: Robert Byrd Honors Scholars
Academic Years 2006-07 and 2007-08**

	2006-07		2007-08	
	Students	Awards	Students	Awards
Indiana Public Institutions	192	\$277,500	177	\$263,750
Indiana Independent Institutions	134	\$201,188	104	\$153,945
Out-of-state Public Institutions	46	\$66,562	58	\$86,618
Out-of-state Independent Institutions	183	\$268,500	153	\$227,500
In-state Proprietary Institutions	2	\$2,250	0	\$0
Out-of-state Proprietary Institutions	1	\$1,500	0	\$0
Total Scholarships	558	\$829,881	492	\$731,813

Hoosier Scholar Program

This scholarship is a one-time \$500 award given directly to outstanding high school students entering their first year at an Indiana college. Students are nominated by their high schools and are usually the top students in their classes.

**Table 19: Hoosier Scholar Program
Academic Years 2006-07 and 2007-08**

Expenditures	Actual 2006-07		Actual 2007-08	
	Students	Awards	Students	Awards
Public Colleges	470	\$236,500	495	\$247,500
Independent Colleges	196	98,000	252	126,000
Totals	666	\$334,500	747	\$373,500

Incentive Programs

The Minority Teacher/Special Education Services Scholarship Program

This program was created to provide renewable scholarships for African American and Hispanic students preparing for a teaching career. Minority students demonstrating financial need may receive up to \$4,000 annually; for non-minority students the maximum award is \$1,000 and is not need-based. Special education students can receive a scholarship regardless of their ethnicity. Colleges select the recipients and determine the amount of the award when reviewing a scholar's financial aid package. Students are required to work in Indiana after graduation.

The Nursing Fund Scholarship Program

This program is designed to encourage students to pursue a career in nursing. Certain eligible institutions are allocated money based on the number of nursing students they enroll. The scholarship is renewable. The maximum annual scholarship is \$5,000 and can only be applied towards tuition and fees. Colleges select the recipients and determine the actual award amount when developing a scholar's financial aid package. Students are required to work in Indiana after graduation. (See Table 20 for Minority Teacher and Nursing expenditures for AY2006-07 and AY2007-08.)

**Table 20: Minority Teacher/Nursing
Academic Years 2006-07 and 2007-08**

Programs	Actual 2006-07		Actual 2007-08	
	Students	Awards	Students	Awards
Minority Teacher	336	\$509,432	267	\$434,528
Nursing	469	\$442,445	479	\$451,533

The State Work-Study Program

The program is designed to help students gain work experience and earn money towards their college expenses. It subsidizes the hourly wages of students so that not-for-profit agencies and postsecondary institutions can hire the students within their limited budgets. It is available only to students receiving a need-based state grant in the prior year. Expenditures in this program for 2007-08 were \$504,310.

The Reciprocity Agreement Program

This program provides tuition assistance to Hoosier students residing in a six county area of southeastern Indiana: Dearborn, Franklin, Jefferson, Ohio, Ripley, and Switzerland counties. Three colleges participate in the program: Northern Kentucky University (NKU), the University of Cincinnati (UC), and Cincinnati State Technical and Community College (CSTCC). Under a special arrangement, NKU does not report the number of participating students. There are two

parts to this program: HEA to eligible students, and direct payments to the schools to offset out-of-state fees. Expenditures in this program for 2007-08 were \$413,358.

Progress over Academic Year 2007-08

Information Technology

Several changes have taken place at the Commission over the past year. In addition to awarding more grants and scholarships to more students than in any previous year, the Commission implemented a new IT web-based platform for working with colleges as well as one for internal use. The platform for colleges, called xGrads, has been in use since January of 2008. It was well received both internally and externally and has made the processing of student awards more convenient and efficient. The Grads application for internal use has made work more efficient for Commission staff and both systems are undergoing continuous refinement and enhancement by SSACI IT staff. A new on-line application for enrollment of 21st Century Scholars has also been underdevelopment for implementation in the Summer of 2008. Work continued on the IT structure needed for a newly legislated National Guard Extension Scholarship, described below.

Legislation and Program Changes

Legislation was passed in the Spring 2008 session which will have effects on SSACI. The Twenty-first Century Scholars Program is required to sign up students in the sixth grade as well as seventh and eighth. This legislation takes affect beginning with the 2008-09 academic year. Starting in 2015, the inclusion of sixth grade students will mean a sizeable increase in the number of 21st Century scholarships to be awarded, much as the Commission saw this year when the inclusion of seventh graders in the program increased the number of students and expenditures as the first cohort including these seventh graders went to college.

CVO legislation was passed that reduced the tuitions paid for graduate students to undergraduate levels and required colleges to cover purple heart recipients who served after Sept 10, 2001. This legislation did not affect the expenditures for AY 2007-08 as it takes affect for the 2008-09 academic year.

There were a certain number of older applicants, particularly women, affected each year by the Commission's ten year rule – if a student had received any state aid and then re-applied after ten years had passed, that student was no longer eligible for state aid. This rule was overturned by legislation in Spring 2008 and will take affect during the 2008-09 academic year. Affects of the legislation on grant usage will be measurable in AY2008-09.

In Spring 2007 legislation was passed to provide a way to have a National Guard student who had served on active duty overseas, returned wishing to attend college, but having left the National Guard, to receive a similar scholarship for the length of time that the student served on overseas active duty. This scholarship was called the National Guard Extension Scholarship and during 2007-08 only one student requested and qualified for this scholarship. While the IT preparation for this scholarship took place this student was paid from the NGSF funds.

By agreement with the federal government and the Indiana Department of Corrections, the federal Specter program, which used to be administered by the Commission, was removed from the Commission's purview and given to the Department of Corrections for AY 2007-08. It is therefore no longer included in this annual report.

Outreach activities

SSACI engages in an extensive series of education programs for all its constituents: students from the sixth grade through seniors in high school and college, parents familiar with the college experience and financial aid to those with little or no knowledge of either, high school and college admissions counselors, Indiana National Guard recruiters, early intervention program staff, college financial aid staff, state and federal legislators and their staff, and other state and federal government officials. At the start of 2007-08, SSACI held 10 high school guidance counselor workshops, four financial aid nights and four college fairs, presented at three College Goal Sunday sessions, the Munger Conference for high school guidance counselors, an Indiana Association of College Admissions Counselors conference, and staffed a booth at Black Expo.